IN THE CLAIMS:

A complete listing of the claims is set forth below. Please amend the claims as follows:

1. (Currently Amended) A <u>computer-implemented</u> method for generating a price

schedule for one or more products, the method comprising:

generating, by a server, generating a transition graph comprising a plurality of stages,

each stage representing a time interval and comprising one or more states and a plurality of

paths, each path comprising a plurality of states, each state having a price value, an inventory

value, and a state value, wherein the transition graph being is generated by repeating the

following for the plurality of stages until a final stage is reached:

determining the price value of a successor state;

calculating the inventory value of the successor state using the price value and

the inventory value of a predecessor state; and

calculating the state value of the successor state using the price value and the

inventory value of the predecessor state;

selecting, by the server, selecting a path of the plurality of paths according to the state

values of the one or more states; [[and]]

<u>determining</u>, by the <u>server</u>, <u>determining</u> a price schedule from the selected <u>path</u>. <u>path</u>;

and

outputting, by the server, the price schedule to one or more computers associated with

one or more entities.

2-3. (Canceled)

Response to Office Action Attorney Docket No. 020431.0755 Serial No. 09/896,388 Page 2 4. **(Previously Presented)** The method of Claim 1, wherein selecting the path according to the state values comprises:

determining a state at the final stage having a state value; and

determining a path comprising a state of an initial stage and the state having the state value.

- 5. **(Original)** The method of Claim 1, further comprising eliminating a successor state in response to a constraint.
 - 6. **(Withdrawn)** The method of Claim 1, further comprising:

computing an elasticity curve; and

computing the inventory value of each successor state using the elasticity curve.

7. **(Previously Presented)** The method of Claim 1, wherein:

each state has a certainty value; and

selecting the path comprises determining a state at the final stage having a certainty value of a predetermined value.

8. (Canceled)

9. (Currently Amended) A <u>computer-implemented</u> system for generating a price

schedule for one or more products, the system comprising:

a server system coupled with one or more entities, the server system comprising:

a transition graph generator <u>configured</u> operable to generate a transition graph

comprising:

a plurality of stages, each stage representing a time interval and

comprising one or more states;

a plurality of paths, each path coupling a sequence of the one or more

states, each state having a price value, an inventory value, and a state value, the transition graph

generator configured operable to generate the transition graph by repeating the following for the

plurality of stages until a final stage is reached:

determining the price value of a successor state;

calculating the inventory value of the successor state using the

price value and the inventory value of a predecessor state; and

calculating the state value of the successor state using the price

value and the inventory value of the predecessor state; and

an optimizer coupled with [[to]] the transition graph generator, the optimizer

configured and generator operable to:

select a path of the plurality of paths according to the state values of the

one or more states; and

determine a price schedule from the selected path, path,

wherein the server system is further configured to output the price schedule to one or

more computers associated with the one or more entities.

10-11. (Canceled)

12. **(Currently Amended)** The system of Claim 9, wherein the optimizer is configured operable to select the path according to the state values by:

determining a state at the final stage having a state value; and

determining a path comprising a state of an initial stage and the state having the state value.

13. **(Currently Amended)** The system of Claim 9, wherein the transition graph generator is <u>configured operable</u> to eliminate a successor state in response to a constraint.

14. (Canceled)

15. **(Currently Amended)** The system of Claim 9, wherein:

each state has a certainty value; and

the optimizer is <u>configured</u> operable to select the path by determining a state at the final stage having a certainty value of a predetermined value.

16. (Canceled)

17. (Currently Amended) A computer-readable storage medium embodied with

Computer software for generating a price schedule for one or more products, the software

embodied in one or more computer-readable media and when executed using one or more

computers is configured operable to:

generate a transition graph comprising a plurality of stages, each stage representing a

time interval and comprising one or more states and a plurality of paths, each path comprising a

plurality of states, each state having a price value, an inventory value, and a state value, wherein

the transition graph being is generated by repeating the following for the plurality of stages

until a final stage is reached:

determining the price value of a successor state;

calculating the inventory value of the successor state using the price value and

the inventory value of a predecessor state; and

calculating the state value of the successor state using the price value and the

inventory value of the predecessor state;

select a path of the plurality of paths according to the state values of the one or more

states; and

determine a price schedule from the selected path, path; and

outputting, the price schedule to one or more computers associated with one or more

entities.

18-19. (Canceled)

20. (Currently Amended) The computer-readable storage medium software of

Claim 17, wherein the software is further configured operable to select the optimal path

according to the state values by:

determining a state at the final stage having a state value; and

determining a path comprising a state of an initial stage and the state having the state

value.

21. (Currently Amended) The computer-readable storage medium software of

Claim 17, wherein the software is further configured operable to eliminate a successor state in

response to a constraint.

22. (Canceled)

23. (Currently Amended) The computer-readable storage medium software of

Claim 17, wherein:

each state has a certainty value; and

wherein the software is further configured operable to select the path by determining a

state at the final stage having a certainty value of a predetermined value.

24. (Canceled)

25. (Currently Amended) A computer-implemented system for generating a price

schedule for one or more products, the system comprising:

a server system coupled with one or more entities, the server system comprising:

means for generating a transition graph comprising a plurality of stages, each

stage representing a time interval and comprising one or more states and a plurality of paths,

each path comprising a plurality of states, each state having a price value, an inventory value,

and a state value, wherein the transition graph being is generated by repeating the following for

the plurality of stages until a final stage is reached:

determining the price value of a successor state;

calculating the inventory value of the successor state using the price

value and the inventory value of a predecessor state; and

calculating the state value of the successor state using the price value and

the inventory value of the predecessor state; and

means for selecting a path of the plurality of paths according to the one or more

state values of the states, states and for determining a price schedule from the selected path.

path, and for outputting the price schedule to one or more computers associated with one or

more entities.

26. (Withdrawn) A method for generating a price schedule, comprising:

generating a transition graph comprising a plurality of paths, each path comprising a

plurality of states, each state having a price value, an inventory value, and a state value, the

transition graph being generated by repeating the following for a plurality of stages until a final

stage is reached:

computing an elasticity curve;

determining the price value of a successor state;

calculating the inventory value of the successor state using the elasticity curve,

the price value, and the inventory value of a predecessor state;

adjusting the inventory value of the successor state by defining a plurality of

locations, calculating an expected number of unrealized sales at each location, and adjusting the

inventory value of the successor state in response to the expected number;

quantizing the inventory value and the price value of the successor state; and

calculating the state value of the successor state using the price value and the

inventory value of the predecessor state;

selecting an optimal path according to the state values of the states by determining a

state at the final stage having an optimal state value and determining a path comprising a state

of an initial stage and the state having the optimal state value; and

determining a price schedule from the optimal path.

27-71. (Canceled)

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